



United States Department of Agriculture
National Agricultural Statistics Service



MONTHLY AG UPDATE – AUGUST 2008

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USDA/NASS NEW MEXICO FIELD OFFICE

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Available on the Internet: www.nass.usda.gov/nm, or by email (1-800-530-8810 for information)

Agricultural Land Values Highlights

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,350 per acre on January 1, 2008, up 8.8 percent from 2007. The \$2,350 per acre is a record high and \$190 more than a year earlier.

Both cropland and pasture values for 2008 are record highs. Cropland values rose by 10 percent to \$2,970 per acre, up from the previous high of \$2,690 in 2007. Pasture value rose by 6 percent to \$1,230 per acre.

While commercial and residential development has slowed in many regions, farm real estate values continue to increase. Strong commodity prices and farm programs, outside investments, favorable interest rates, and tax incentives continue to be the factors that drive farm real estate values to record levels. Livestock prices, recreational use, and urban development remain the predominant influences that increase pasture land values.

Regional increases in the average value of farm real estate ranged from 1.6 percent in the Northeast region to 15.5 percent in the Northern Plains region. The highest farm real estate values remained in the Northeast region, where development pressure continued to push the average value

INCLUDED IN THIS ISSUE – AUGUST 14, 2008

<u>Report</u>	<u>Release Date</u>
Land Values & Cash Rents	August 04, 2008
Agricultural Prices Received	July 31, 2008
August Crop Production	August 12, 2008
Farm Expenditures	August 07, 2008
Weekly Weather & Crop Progress	August 11, 2008
Farm Labor	August 15, 2008

to \$5,080 per acre. The Northern Plains region had the lowest farm real estate value, at \$1110 per acre, up 15.5 percent from the previous year. In the Corn Belt region cropland values rose 14.8 percent, to \$4,260 per acre. The Southern Plains region increased 12 percent from the previous year, to \$1,490 per acre.

The Northern Plains region also had the highest average percentage increase in pasture value, 19.7 percent above 2007. In the Southern Plains and Mountain regions, which account for more than half of the pasture in the U.S., pasture values per acre increased 17.1 percent and 6.4 percent, respectively.

Farm Real Estate Average Value per Acre, by Region and State, January 1, 2004-2008

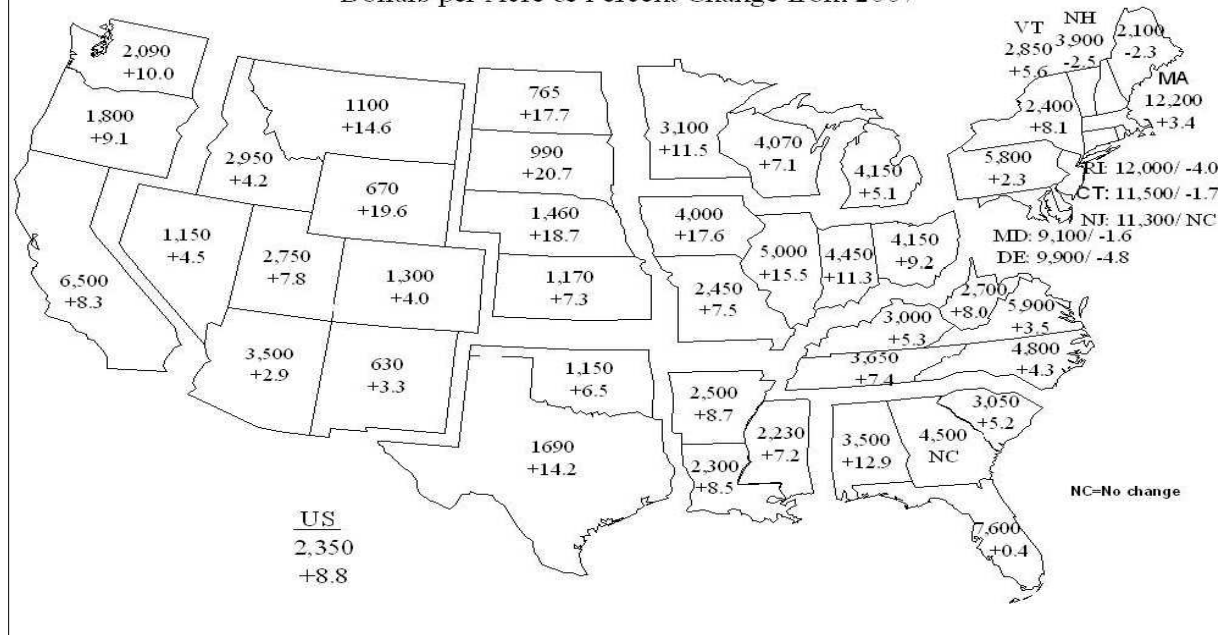
Region and State	All Land In Farms			Crop Land			Pasture and Range		
	2007	2008	Change from 2007	2007	2008	Change from 2007	2007	2008	Change from 2007
	Dollars		Percent	Dollars		Percent	Dollars		Percent
Southern Plains	1,400	1,550	10.7	1,330	1,490	12	1,290	1,510	17.1
OK	1,080	1,150	6.5	979	1,110	13.4	900	1,000	11.1
TX	1,480	1,690	14.2	1,470	1,640	11.6	1,370	1,610	17.5
Mountain	1,120	1,210	8	* 1,860	1,940	4.3	689	733	6.4
AZ ^{1/}	3,400	3,500	2.9	10,800	11,500	6.5	900	950	5.6
CO	1,250	1,300	4	1,400	1,470	5	800	800	0
NM ^{1/}	610	630	3.3	1,830	1,980	8.2	350	370	5.7
UT ^{1/}	2,550	2,750	7.8	4,080	3,990	-2.2	1,350	1,350	0
48 States ^{2/}	2,160	2,350	8.8	* 2,690	2,970	10.4	1,160	1,230	6

^{1/} Excludes American Indian Reservation Land. ^{2/} Excludes Alaska and Hawaii.

See map on next page.

2008 Farm Real Estate Value by State

Dollars per Acre & Percent Change from 2007



AGRICULTURAL PRICES RECEIVED

NEW MEXICO: Alfalfa hay prices for July 2008 were \$194.00 per ton. All Hay prices were \$197.00 per ton. Both dropped by \$1.00 from the June price. Cow prices Increased to \$61.50 per hundredweight from \$59.50 in June. Steer and heifer prices dropped to \$99.00 per hundredweight from \$101.00 in June. Calf prices remained constant at \$117.00 per hundredweight. Milk prices increased by \$1.40 from the June price of \$18.20 to \$19.60 per hundredweight in July. Milk cow replacement price in July was \$2,170.

Prices Received by Farmers: Selected Commodities, June 2008 and July 2007-08

Commodity	Unit	New Mexico			U.S. ^{1/}
		July 2007 ^{2/}	June 2008 ^{2/}	July 2008 ^{1/}	July
-----Dollars-----					
CROPS					
Grain Sorghum	Cwt.	-	-	-	9.78
Cotton, Upland	Lb.	-	-	-	.603
Potatoes	Cwt.	-	-	-	11.42
Hay, all baled	Ton	164.00	195.00	194.00	164.00
Alfalfa, baled	Ton	167.00	198.00	197.00	177.00
Peanuts	Lb.	-	-	-	.200
Corn	Bu.	-	-	-	5.61
Wheat, all	Bu.	-	-	-	7.29
LIVESTOCK					
Sheep ^{3/}	Cwt.	-	-	-	24.80
Lambs ^{3/}	Cwt.	-	-	-	102.00
Cows	Cwt.	53.00	59.50	61.50	56.40
Steers & Heifers	Cwt.	98.00	101.00	99.00	100.00
Calves	Cwt.	122.00	117.00	117.00	115.00
Milk Cow Replacement ^{4/}	Head	2,000.00	---	2,170.00	1,990.00
Milk	Cwt.	21.40	18.20	19.60	19.40

^{1/} Mid-month ^{2/} Entire month ^{3/} June - entire month ^{4/} Animals sold for dairy herd replacement only. Prices available for Jan, Apr, Jul, and Oct.

CROP PRODUCTION

NEW MEXICO: Corn for grain production is forecast at 10.5 million bushels, up from 9.6 million in 2007. Harvested acreage is up from 55,000 in 2007 to 60,000 acres, while yields are expected to average 175 bushels per acre. Upland cotton is expected to yield 1,050 pounds per acre, down from 1,095 pounds per acre in 2007. Producers expect to harvest 32,000 acres. American-Pima cotton yields are forecast at 960 pounds per acre, up from 856 pounds per acre in 2007. Harvested acres are expected to reach 5,900, an increase of

23% from 2007. Sorghum for grain production is forecast at 2.0 million bushels with yields averaging 45 bushels per acre, compared to 40 bushels per acre in 2007. Peanut production is forecast to reach 31.5 million pounds, down 10% from 2007. Harvested acres are expected to remain at 3,500 from 2007. Dry edible bean production is forecast to reach 184,000 pounds, an increase of 2% from 2007. Harvested acres are expected to reach 8,000 acres compared to 7,500 acres in 2007.

UNITED STATES: Corn production is forecast at 12.3 billion bushels, down 6 percent from last year but 17 percent above 2006. Soybean production is forecast at 2.97 billion bushels, up 15 percent from last year but down 7 percent from the record high production of 2006. All cotton production is forecast at 13.8 million 480-pound bales, down 28 percent from last year's 19.2 million bales. Upland cotton production is forecast at 13.2 million 480-pound bales, 28 percent below 2007. American-Pima

production is forecast at 521,800 bales, down 39 percent from last year. Sorghum production is forecast at 410 million bushels, down 19 percent from last year. Peanut production is forecast at 4.49 billion pounds, up 20 percent from last year's crop and up 30 percent from 2006. U.S. dry edible bean production is forecast at 24.2 million cwt. for 2008, down 5 percent from last year and down slightly from 2006.

August 2008 Crop Summary: Area Harvested, Yield, and Production, 2007 and Forecasted August 1, 2008

August 2008 Crop Summary: Area Harvested, Yield, and Production, 2007 and Forecasted August 1, 2008							
Crop	Unit	Area Harvested		Yield Per Acre		Production	
		2007	2008	2007	2008	2007	2008
		-----1,000 Acres-----		-----Units-----		-----1,000 Units-----	
NEW MEXICO							
Corn for Grain	Bu.	55	60	175.0	175.0	9,625	10,500
All Cotton ^{1/2/}	Lb.	43.6	37.9	1,070	1,036	97.2	81.8
Upland Cotton ^{1/2/}	Lb.	39.0	32.0	1,095	1,050	89.0	70.0
A-P Cotton ^{1/2/}	Lb.	4.6	5.9	856	960	8.2	11.8
Hay (Alfalfa)	Tn.	260	250	5.20	5.30	1,352	1,325
Sorghum for Grain	Bu.	75	45	40	45	3,000	2,025
Peanuts	Lb.	10	9	3,500	3,500	35,000	31,500
Dry Edible Beans	Lb.	7.5	8.0	2,400	2,300	180	184
UNITED STATES							
Corn for Grain	Bu.	86,542	79,290	151.1	155.0	13,073,893	12,287,875
All Cotton ^{1/2/}	Lb.	10,489.1	7,848.9	879	842	19,206.9	13,766.8
Upland Cotton ^{1/2/}	Lb.	10,201.0	7,655.0	864	831	18,355.1	13,245.0
A-P Cotton ^{1/2/}	Lb.	288.1	193.9	1,419	1,292	851.8	521.8
Hay (All)	Tn.	61,625	60,439	2.44	2.45	150,304	147,955
Sorghum for Grain	Bu.	6,805	6,442	74.2	63.7	504,993	410,134
Soybeans	Bu.	62,820	73,341	41.2	40.5	2,585,207	2,972,577
Peanuts	Lb.	1,195	1,426	3,130	3,151	3,740,650	4,493,400
Dry Edible Beans	Lb.	1,478.7	1,353.6	1,716	1,786	25,371	24,172

^{1/} Production ginned and to be ginned. ^{2/} Yield reported in pounds per acre; production in bales (480 lb. net wt.).

Farm Production Expenditures Hit Record High in 2007, USDA Reports

The rising cost of fuel and other products helped drive U.S. farm production expenditures to a record \$260 billion in 2007, according to the Farm Production Expenditures 2007 summary released by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). Total U.S. farm production expenditures rose 9.3 percent from 2006 and nearly 30 percent from 5 years ago.

Increasing petroleum costs meant farmers not only paid more for fuel, but also for fertilizer products, chemicals and transportation services. Indirectly, fuel prices and the growth in ethanol production also led to higher crop prices, resulting in increased cost for livestock feed.

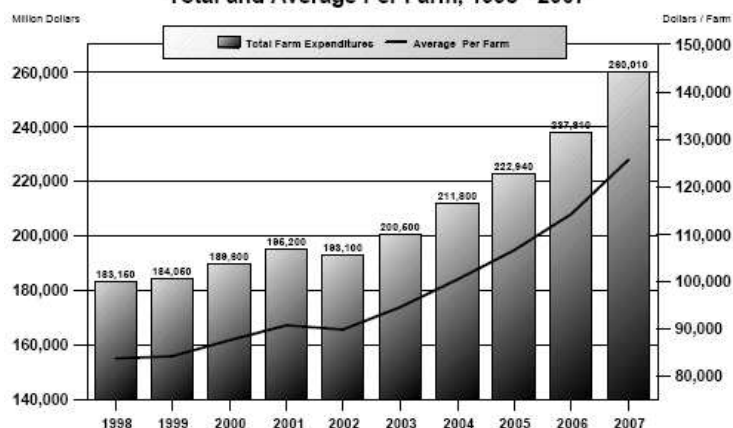
The NASS report shows that the average production expenditures per farm increased 10 percent nationwide, from \$114,186 in 2006 to \$125,648 in 2007. On average, U.S. farm expenditures for

fertilizer, lime and soil amendments jumped 26 percent to \$8,070; feed costs rose 22 percent to \$18,412; fuel costs increased by 15 percent to \$6,137; and agricultural chemicals climbed 12 percent to \$4,832.

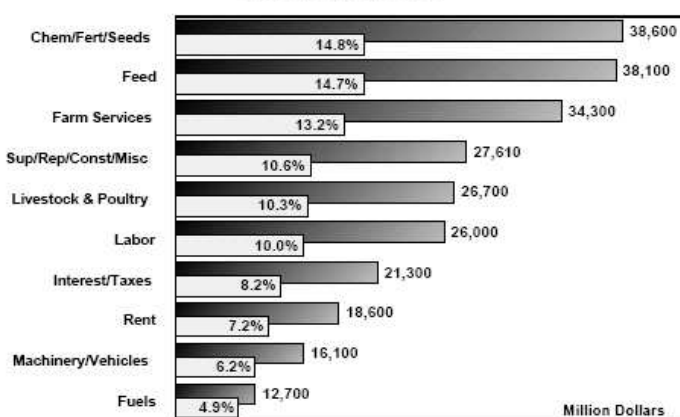
In total, U.S. producers spent \$12.7 billion on fuel, including \$7.71 billion for diesel, up 15 percent; \$2.74 billion for gasoline, up 16 percent; \$1.5 billion for LP gas, up 17 percent; and \$750 million for other fuels, up 4.2 percent.

The Farm Production Expenditures summary provides the official estimates for production input costs on U.S. agricultural operations. These estimates are based on the results of the nationwide Agricultural Resource Management Survey conducted annually by NASS. The Farm Production Expenditures summary and all NASS reports are available online at www.nass.usda.gov.

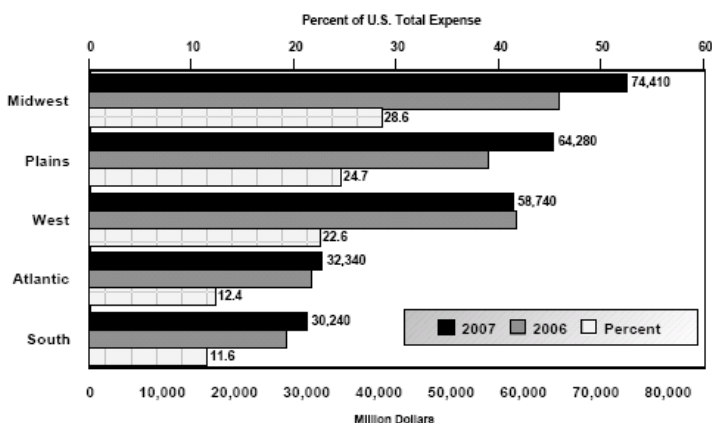
U.S. Farm Production Expenditures
Total and Average Per Farm, 1998 - 2007



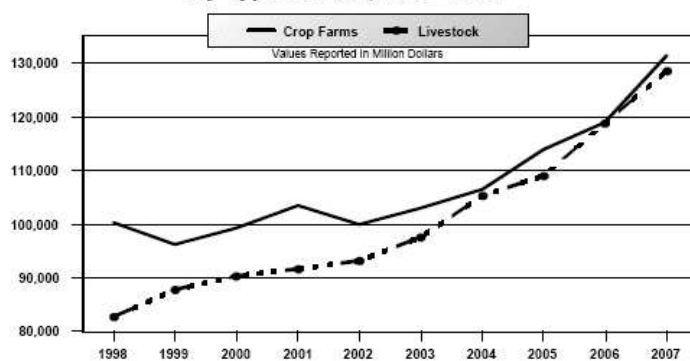
U.S. Farm Production Expenditures
By Input Items, Expense, Percent of Total
United States, 2007



U.S. Farm Production Expenditures
By Farm Production Regions, 2006 - 2007



U.S. Farm Production Expenditures
By Type of Farm, 1998 - 2007



CROP SUMMARY FOR THE WEEK ENDING AUGUST 10, 2008

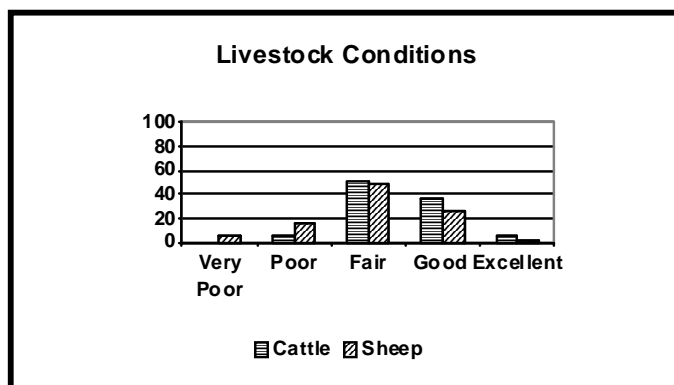
NEW MEXICO: There were 6.1 days suitable for fieldwork. Topsoil moisture was 6% very short, 58% short, and 4% surplus. Wind damage was 17% light and 4% moderate. Farmers spent the week spraying for insects and weeds, as well as harvesting crops. Alfalfa was mostly good to fair with the third cutting 81% complete, the fourth cutting 47% complete and the fifth cutting 9% complete. Cotton was mostly good with 95% squaring and 70% setting bolls. Corn was mostly good with 90% silked and 27% dough. Irrigated sorghum was mostly good with 96% headed and 5% coloring. Dry sorghum was mostly poor with 40% headed and 15% coloring. Peanuts ranged from fair to excellent with 75% pegging. Chiles were mostly good with 18% green harvested; pod sets generally average to heavy. Apples were mostly fair and pecans were mostly good. Cattle were mostly fair. Sheep were mostly fair to good. Range and pastures were mostly fair to good.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE (Green)	Harvested	18	N/A	16	22
CORN	Silked	90	77	92	95
CORN	Dough	27	19	58	53
CORN	Dent	N/A	N/A	21	23
COTTON	Squaring	95	90	99	100
COTTON	Setting Bolls	70	60	91	87
PEANUTS	Pegging	75	65	82	90
SORGHUM (ALL)	Headed	60	30	24	35

CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	---	4	37	48	11
Chile	---	---	31	56	13
Corn	---	---	7	76	17
Cotton	---	---	19	61	20
Peanuts	---	---	50	40	10
Pecan	---	---	---	73	27
Sorghum (All)	---	59	14	27	---
Cattle	---	5	52	37	6
Sheep	5	16	50	27	2
Range/Pasture	4	14	43	33	6



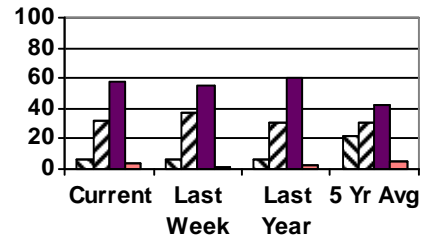
Additional Comments:

Santa Fe: Spotty rains continue, good for livestock and rangelands, but difficult for forage farmers to cut and bale hay. **Colfax:** Good general rains. The grass looks green in most of the county. Will be difficult to grow enough grass for winter grazing. **De Baca:** Native grass is making good progress. **Quay:** Continued rain showers helping everyone. **Catron/Socorro:** Rains have been received in both counties, greatly improving the range conditions. Some parts of both counties remain dry or are just now greening up; other parts look to be producing good grass. Lots of hay, however, has been rained on. Chile harvest is anticipated to begin by mid-month, unless rains slow picking progress. Hoping for a long summer and late frost. **Luna/Grant:** Some damage to the chile. Pastures generally improved, some still dry. **Socorro:** Good improvement in cattle, range and pasture conditions. **Chaves:** Rained ½ inch one day last week, made fields muddy and streaked hay. **Doña Ana:** Chile on low land, heavy clay soils is experiencing the most *phytophthora capsici* (chile wilt) root rot. **Lea:** Continuing dry weather conditions in the southern part of the county and hot drying winds reducing the soil moisture for non-irrigated crops and rangelands. Cotton progress is behind normal because of the harsh dry weather and severe wind early in the growing season. Range conditions are worsening in part of the county. While some precipitation has fallen in recent months, it has been very spotty and localized.

SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	8	21	66	5
Northeast	9	38	52	1
Southwest	---	42	52	6
Southeast	4	24	67	5
State Current	6	32	58	4
State-Last Week	7	37	55	1
State-Last Year	6	31	60	3
State-5-Yr Avg.	22	31	42	5

Soil Moisture



Very Short Short Adequate Surplus

WEATHER SUMMARY

AN UPPER LEVEL LOW PRESSURE OVER EASTERN ARIZONA AND HIGH PRSSURE CENTERED OVER OKLAHOMA COMBINE TO BRING MOISTURE TO MOST AREAS IN THE STATE DURING THE WEEK. THE TEMPERATURES WERE A LITTLE BELOW TO NEAR NORMAL IN THE SOUTHWEST AND ABOVE NORMAL EASTERN AND NORTHERN NEW MEXICO.

NEW MEXICO WEATHER CONDITIONS – AUGUST 4 - 10, 2008

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	Week 04-Aug - 10-Aug	Month 01-Aug - 10-Aug	Accum. 1-Jan - 10-Aug	Normal Aug	Normal Jan-Aug
Northwest								
Albuquerque	77.4	91	64	0.39	0.40	5.37	1.64	6.06
Chama	62.2	86	43	0.98	0.98	12.88	2.82	13.90
Farmington	74.9	97	59	0.65	0.65	4.23	1.05	5.36
Gallup	71.4	88	54	0.57	0.57	8.44	2.26	8.36
Grants	69.6	89	50	0.04	0.04	4.59	2.16	6.95
Johnson Ranch	70.9	89	51	0.18	0.18	4.57	2.29	7.72
Los Alamos	67.1	87	54	3.17	3.17	9.44	3.52	13.18
Red River	58.2	89	40	0.66	0.72	6.51	3.10	15.03
Santa Fe	73.4	91	57	0.72	0.72	5.94	2.39	10.03
Northeast								
Capulin	67.9	86	53	0.75	0.75	11.19	2.56	13.08
Clayton	77.9	98	63	0.61	0.61	6.18	2.61	11.61
Clovis	79.6	97	63	0.03	0.03	6.25	3.17	12.74
Las Vegas	69.4	88	55	1.85	1.85	9.59	4.27	13.87
Moriarty	70.5	89	53	0.15	0.15	6.01	2.69	9.06
Raton	72.9	94	56	1.45	1.47	7.08	3.21	13.03
Roy	73.0	91	58	1.85	1.85	8.35	2.81	11.84
Tucumcari	80.5	99	62	0.45	0.45	13.57	2.41	10.98
Southwest								
Animas	75.9	91	59	1.66	1.66	6.69	2.34	7.08
Deming	78.6	94	62	0.07	0.59	8.38	2.05	6.48
Gran Quivira	72.6	87	56	0.32	0.38	6.51	3.27	10.79
Quemado	64.2	82	43	0.23	0.33	6.33	3.12	9.68
Socorro	76.1	91	61	1.01	1.01	3.55	1.90	5.84
T or C	78.4	92	65	0.37	0.37	6.24	2.15	6.59
Southeast								
Alamogordo	79.9	94	65	0.47	0.47	6.60	2.41	7.92
Carlsbad	82.9	100	67	0.12	0.12	5.42	2.25	7.99
Carrizozo	72.6	90	56	0.50	0.50	5.15	2.69	8.24
Las Cruces	81.5	95	69	0.09	0.10	6.24	2.29	5.92
Roswell	79.9	98	64	0.12	0.12	4.74	2.03	8.77
Ruidoso	64.8	80	51	0.52	2.00	15.94	4.04	15.03
Tatum	78.4	96	61	0.00	0.00	7.45	2.48	11.17

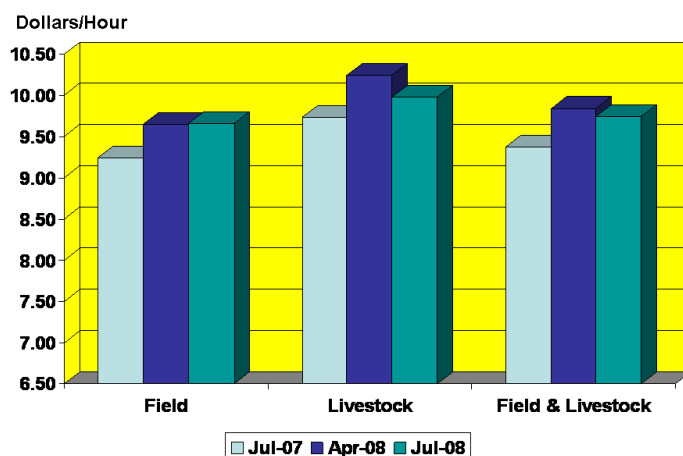
(T) Trace forms (-) No Report (*) Correction - All reports based on preliminary data. Precipitation data corrected monthly from official observation

QUARTERLY FARM LABOR

NEW MEXICO-ARIZONA: There were 20,000 hired workers on farms and ranches in New Mexico and Arizona during the week of July 6-12, 2008, down 9.1 percent from a year ago. Average hours worked by all hired workers decreased to 42.0 hours a week compared to 45.0 hours last year. Wage rates for field workers were up 87 cents to \$9.21 an hour from the previous July's \$8.34 an hour. Livestock worker wages were up \$1.79 to \$11.44 an hour from \$9.65 in July 2007. Overall, average wage rates for all hired agricultural workers rose to \$10.55 an hour.

UNITED STATES: There were 1,173,000 hired workers on the Nation's farms and ranches during the week of July 6-12, 2008, down 3 percent from a year ago. Of these hired workers, 828,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 345,000 workers. Farm operators paid their hired workers an average wage of \$10.34 per hour during the July 2008 reference week, up 35 cents from a year earlier. Field workers received an average of \$9.66 per hour, up 42 cents from last July, while livestock workers earned \$9.98 per hour compared with \$9.73 a year earlier. The field and livestock worker combined wage rate, at \$9.74 per hour, was up 37 cents from last year. The number of hours worked averaged 40.5 hours for hired workers during the survey week, down 2 percent from a year ago.

**U.S. Wage Rates
By Type of Workers**



Hired worker wage rates were generally above a year ago in most regions. The largest increases occurred in the Appalachian II, Mountain II, Mountain III (Arizona and New Mexico), Delta, and Mountain I regions. Salaried workers in the Mountain III region were putting in fewer hours, due to unusually wet conditions, which caused the average wage to be higher.

**Workers on Farms, Hours Worked Per Week, and Wage Rates for All Hired Workers,
Selected Regions and U.S., July 2007-2008 ^{1/}**

	Mountain II ^{2/}		Mountain III ^{3/}		Southern Plains ^{4/}		United States ^{5/}	
	Jul 8-14 2007	Jul 6-12 2008	Jul 8-14 2007	Jul 6-12 2008	Jul 8-14 2007	Jul 6-12 2008	Jul 8-14 2007	Jul 6-12 2008
Workers on Farms	-----Thousands-----							
All Hired Workers	18	23	22	20	58	57	843	828
Hours Worked	-----Hours Per Week-----							
All Hired Workers	40.5	43.0	45.0	42.0	41.0	39.0	41.4	40.5
Wages By Work	-----Dollars Per Hour-----							
Field	9.25	10.39	8.34	9.21	8.14	8.60	9.24	9.66
Livestock	9.85	11.14	9.65	11.44	9.67	10.12	9.73	9.98
Field & Livestock	9.45	10.65	8.80	9.85	8.85	9.20	9.37	9.74
All Workers	9.85	11.00	9.47	10.55	9.18	9.80	9.99	10.34

^{1/} Excludes agricultural service workers. ^{2/} Mountain Region II consists of CO, NV & UT. ^{3/} Mountain Region III consists of AZ & NM. ^{4/} Southern Plains region consists of OK & TX. ^{5/} Excludes AK.

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